

REGULATION OF MEMBERS OF BOARD OF GOVERNORS
NUMBER 20/8/PADG/2018
ON
CRITERIA AND REQUIREMENTS FOR SECURITIES
IN MONETARY OPERATION

BY THE BLESSINGS OF GOD THE ALMIGHTY

MEMBER OF BOARD OF GOVERNORS OF BANK INDONESIA,

- Considering :
- a. that to accomplish the objectives of Bank Indonesia, namely to achieve and maintain rupiah stability, Bank Indonesia establishes and implements monetary policy;
 - b. that to implement the monetary policy, Bank Indonesia exercises monetary control, among others through monetary operation in a conventional manner and in adherence to sharia principle;
 - c. that in implementing monetary operation in a conventional manner and in adherence to sharia principle, Bank Indonesia determines the criteria and requirements for securities which may be used in monetary operation;
 - d. that based on the foregoing consideration in letter a until letter c, it is necessary to establish a Regulation of Members of Board of Governors on Criteria and Requirements for Securities in Monetary Operation;

Observing : Regulation of Bank Indonesia Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2018 Number 60, Supplement to State Gazette of the Republic of Indonesia Number 6198);

HAS DECIDED:

To issue : REGULATION OF MEMBERS OF BOARD OF GOVERNORS ON CRITERIA AND REQUIREMENTS FOR SECURITIES IN MONETARY OPERATION.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regulation of Members of the Board of Governors:

1. Bank means a commercial bank, sharia commercial bank, and sharia business unit.
2. Commercial Bank means a commercial bank carrying out its business activities in a conventional manner as set forth in a Law on banks.
3. Sharia Commercial Bank, hereinafter referred to as SCB, means a commercial bank carrying out its business activities in adherence to sharia principles as set forth in a Law on sharia banks.
4. Sharia Business Unit, hereinafter referred to as SBU, means a sharia business unit as set forth in a Law on sharia banks.
5. Monetary Operation means monetary policy implementation by Bank Indonesia to exercise monetary control in a conventional manner and in adherence to sharia principle.
6. Conventional Monetary Operation, hereinafter referred to as CMO, means monetary policy implementation by Bank Indonesia to exercise monetary control in a conventional manner.

7. Sharia Monetary Operation, hereinafter referred to as SMO, means monetary policy implementation by Bank Indonesia to exercise monetary control in adherence to sharia principle.
8. Open Market Operation, hereinafter referred to as OMO, means transactional activities in the money market and/or foreign exchange market conducted by Bank Indonesia with Banks and/or other parties for Monetary Operation in a conventional manner and in adherence to sharia principle.
9. Conventional Open Market Operation, hereinafter referred to as Conventional OMO, means transactional activities in the money market and/or foreign exchange market conducted by Bank Indonesia with Commercial Banks and/or other parties.
10. Sharia Open Market Operation, hereinafter referred to as Sharia OMO, means transactional activities in the money market in adherence to sharia principle and/or foreign exchange market conducted by Bank Indonesia with SCB, SBU, and/or other parties.
11. Standing Facilities mean rupiah lending facility from Bank Indonesia to Banks and rupiah deposit facility by Banks in Bank Indonesia for Monetary Operation in a conventional manner and in adherence to sharia principle.
12. Conventional Standing Facilities mean rupiah lending facility from Bank Indonesia to commercial banks and rupiah deposit facility by commercial banks in Bank Indonesia.
13. Sharia Standing Facilities mean rupiah financing facility from Bank Indonesia to commercial SCB or SBU and rupiah deposit facility by SCB or SBU in Bank Indonesia.
14. Monetary Operation participant means any CMO and SMO participants, which have obtained permit from Bank Indonesia as Monetary Operation participants as specified in the provisions of Bank Indonesia for monetary operation participation.

15. Conventional OMO participant means any commercial bank, which has obtained permit from Bank Indonesia as an OMO participant as specified in the provisions of Bank Indonesia for monetary operation participation.
16. Sharia OMO participant means any SCB and/or SBU, which has obtained permit from Bank Indonesia as an OMO participant as specified in the provisions of Bank Indonesia for monetary operation participation.
17. Bank Indonesia Certificate, hereinafter referred to as SBI, means securities in rupiah currency issued by Bank Indonesia as acknowledgment of short term indebtedness.
18. Sharia Bank Indonesia Certificate, hereinafter referred to as SBIS, means securities in adherence to sharia principle in rupiah currency issued by Bank Indonesia with a short term.
19. Bank Indonesia Deposit Certificate, hereinafter referred to as SDBI, means securities in rupiah currency issued by Bank Indonesia as acknowledgment of short term indebtedness, which may only be traded between commercial banks.
20. Sovereign Securities, hereinafter referred to as SBN, mean sovereign debt securities and sovereign sharia securities.
21. Sovereign Debt Securities, hereinafter referred to as SUN, means sovereign debt securities as set forth in the Law on sovereign debt securities.
22. Sovereign Sharia Securities, hereinafter referred to as SBSN, means sovereign sharia securities as set forth in the Law on sovereign sharia securities.
23. Sovereign Bond means Sovereign Debt Securities with a term of more than 12 (twelve) months with coupon and/or discounted interest payment.
24. Sovereign Treasury Bills, hereinafter referred to as SPN, mean SUN with a term of up to 12 (twelve) months with discounted interest payment.
25. Long Term SBSN means SBSN with a term of more than 12 (twelve) months with reward payment in the form of coupon and/or discount.

26. Short Term SBSN or Sharia Sovereign Treasury Bills mean SBSN with a term of up to 12 (twelve) months with reward payment in the form of coupon and/or discount.
27. Zero Coupon Bond, hereinafter referred to as ZCB, means Sovereign Bond without coupon, with discounted interest payment.
28. Retail Sovereign Bond, hereinafter referred to as ORI, means Sovereign Bond in the primary market sold to individuals of Indonesian citizenship through selling agents.
29. Retail SBSN, hereinafter referred to as Retail Sovereign Sukuk, means SBSN in the primary market sold to individuals of Indonesian citizenship through selling agents.
30. Securities Repurchase Agreement Transaction for Conventional OMO, hereinafter referred to as Conventional OMO Repo Transaction, means any securities sale transaction by a Conventional OMO participant to Bank Indonesia, with mandatory repurchase by the Conventional OMO participant at the agreed price and within the agreed period.
31. Securities Repurchase Agreement Transaction for Sharia OMO, hereinafter referred to as Sharia OMO Repo Transaction, means any securities sale transaction by a Sharia OMO participant to Bank Indonesia, with mandatory repurchase by the Sharia OMO Participant at the agreed price and within the agreed period.
32. SBIS Repurchase Agreement Transaction, hereinafter referred to as SBIS Repo Transaction, means any lending transaction by Bank Indonesia to Sharia OMO Participants with SBIS collateral.
33. Lending Facility Transaction means provision of rupiah fund from Bank Indonesia to Commercial Banks for CMO.
34. Financing Facility Transaction means provision of rupiah fund from Bank Indonesia to SCB and/or SBU for CMO.
35. Securities Reverse Repo Transaction for Conventional OMO, hereinafter referred to as Conventional OMO

Reverse Repo Transaction, means any securities purchase transaction by a Conventional OMO participant from Bank Indonesia, with mandatory resale by the Conventional OMO participant at the agreed price and within the agreed period.

36. Securities Reverse Repo Transaction for Sharia OMO, hereinafter referred to as Sharia OMO Reverse Repo Transaction, means any securities purchase transaction by a Sharia OMO Participant from Bank Indonesia, with mandatory resale by the Sharia OMO participant at the agreed price and within the agreed period.
37. Bank Indonesia-Real Time Gross Settlement System, hereinafter referred to as BI-RTGS, means BI-RTGS as specified in the provisions of Bank Indonesia for transaction implementation, securities administration, and outright fund settlement.
38. Bank Indonesia-Scripless Securities Settlement System, hereinafter referred to as BI-SSSS, means BI-SSSS as specified in the provisions of Bank Indonesia for transaction implementation, securities administration, and outright fund settlement.
39. Bank Indonesia-Electronic Trading Platform System, hereinafter referred to as BI-ETP System, means BI-ETP System as specified in the provisions of Bank Indonesia for transaction implementation, securities administration, and outright fund settlement.
40. Securities Account means the Bank's securities account in BI-SSSS in rupiah and/or foreign currency administered in Bank Indonesia for ownership record and settlement of securities transactions, transactions with Bank Indonesia, and/or financial market transactions.
41. Checking Account means the Bank's checking account with Bank Indonesia in rupiah and/or foreign currency.
42. Business Day means the business days of Bank Indonesia, including the limited operational business days of Bank Indonesia.

CHAPTER II

SECURITIES USED IN MONETARY OPERATION

Article 2

Bank Indonesia determines requirements for securities used in Monetary Operation.

Part One

Criteria and Requirements for Securities Used in CMO

Article 3

- (1) Criteria for securities in rupiah which may be used in CMO are specified as follows:
 - a. are issued by Bank Indonesia, and/or the Republic of Indonesia;
 - b. are recorded in BI-SSSS; and
 - c. are not put up in collateral.
- (2) Criteria for securities in foreign currency which may be used in CMO are specified as follows:
 - a. are issued by any other governments whose central banks have cooperation with Bank Indonesia;
 - b. follow the denomination of the issuing country;
 - c. are recorded in a CMO participant's assets recorded in the CMO participant's securities account with the agreed custodian bank;
 - d. have (investment grade); and
 - e. are not put up in collateral.

Article 4

The types of securities that meet the criteria set forth in Article 3 consist of:

- a. SBI;
- b. SDBI;
- c. SBN, including:
 1. SUN, including SPN and Sovereign Bond, including ZCB and ORI; and

- 2. SBSN, including Short Term SBSN and Long Term SBSN, including Retail SBSN; and
- d. securities in short term or long term foreign currencies issued by any other governments (sovereign bond).

Article 5

The securities in foreign currencies set forth in Article 3 paragraph (2) may only be used in Conventional OMO Repo Transactions.

Article 6

The securities set forth in Article 4 must meet the following requirements for remaining term:

- a. for SBI, has a remaining term of 2 (two) Working Days at the shortest in the second leg Conventional OMO Repo Transaction and Lending Facility Transaction;
- b. for SDBI, has a remaining term of 2 (two) Working Days at the shortest in the second leg Conventional OMO Repo Transaction and Lending Facility Transaction;
- c. for SBN, has a remaining term of 3 (three) Working Days at the shortest in the second leg Conventional OMO Repo Transaction and Lending Facility Transaction; and
- d. for securities in foreign currency, have a remaining term of 30 (thirty) calendar days at the shortest in the second leg Conventional OMO Repo Transaction.

Part Two

Criteria and Requirements for Securities Used in SMO

Article 7

Criteria for securities which may be used in SMO are specified as follows:

- a. are issued in adherence to sharia principles;
- b. are issued by Bank Indonesia, and/or the Republic of Indonesia;
- c. are issued in rupiah;
- d. are recorded in BI-SSSS; and

- e. are not put up in collateral.

Article 8

The types of securities that meet the criteria set forth in Article 7 consist of:

- a. SBIS;
- b. SBSN, including:
 - 1) Short Term SBSN; and
 - 2) Long Term SBSN, including Retail SBSN.

Article 9

The securities set forth in Article 8 must meet the following requirements for remaining term:

- a. for SBIS, has a remaining term of 2 (two) Working Days at the shortest in the second leg Financing Facility Transaction; and
- b. for SBSN, has a remaining term of 3 (three) Working Days at the shortest in the second leg Sharia OMO Repo Transaction and Lending Facility Transaction.

Part Three

Use of SBN Obtained from Conventional OMO Reverse Repo Transactions and Sharia OMO Reverse Repo Transactions

Article 10

- (1) SBN obtained by Monetary Operation Participants from Bank Indonesia in Conventional OMO Reverse Repo Transactions or Sharia OMO Reverse Repo Transactions may be reused in transactions in the secondary market.
- (2) If a Monetary Operation Participant makes a transaction in the secondary market set forth in paragraph (1), such transaction will be made by observing the provisions issued by the competent authority.

CHAPTER III

PRICE AND HAIRCUT OF SECURITIES IN MONETARY OPERATION

Article 11

Bank Indonesia determines the price and haircut of securities used in Monetary Operation.

Article 12

The determination of securities' price by Bank Indonesia set forth in Article 11 is specified as follows:

- a. SBI's price is determined by Bank Indonesia by considering the weighted average of discount rate during issuance, the remaining term of each SBI series, and/or other variables;
- b. SBIS's price is determined 100% (one hundred percent) from the issuance date until the due date;
- c. SDBI's price is determined by Bank Indonesia by considering the weighted average of discount rate during issuance, the remaining term of each SDBI series, and/or other variables;
- d. SBN's price is determined by Bank Indonesia by considering the market price of each type and series of SBN and/or other variables; and
- e. securities price is determined by Bank Indonesia by considering the market price of each type and series of securities in foreign currency (sovereign bond), and/or other variables.

Article 13

- (1) Haircut is a factor that reduces securities price.
- (2) The haircut set forth in paragraph (1) is determined as follows:
 - a. for SBI of 0% (zero percent);
 - b. for SBIS of 0% (zero percent);
 - c. for SDBI of 0% (zero percent);
 - d. for SBN consisting of:
 1. SUN of 5% (five percent);
 2. SBSN of 6.5% (six point five percent); and

- e. for securities in foreign currency (sovereign bond), the haircut percentage is announced by Bank Indonesia on a transaction date.

Article 14

Bank Indonesia may change haircut set forth in Article 13.

Article 15

The price of securities used in Monetary Operation set forth in Article 12 and haircut of securities set forth in Article 13 and their change as set forth in Article 14 are announced by Bank Indonesia in BI-ETP System, BI-SSSS, and/or any other means determined by Bank Indonesia.

Article 16

- (1) If an outright SBN sale transaction is made by a CMO participant due to failure of the second leg settlement of a Conventional OMO Repo Transaction or Lending Facility Transaction, SBN price used in calculating the value of the outright SBN sale transaction settlement shall be the SBN price on the date of the outright SBN sale transaction which at the highest equals to SBN price in the first leg transaction.
- (2) If an outright SBN purchase transaction is made by a Conventional OMO participant due to failure of the second leg settlement of Conventional OMO Reverse Repo Transaction, SBN price used in calculating the value of the outright SBN purchase transaction settlement shall be the SBN price on the date of the outright SBN purchase transaction which at the lowest equals to SBN price in the first leg transaction.
- (3) If securities in foreign currency are sold by a Conventional OMO Participant due to failure of the second leg settlement of a Conventional OMO Repo Transaction, the price of securities used in the calculation shall be the selling price of the securities in foreign currency by Bank Indonesia on the selling date.

Article 17

- (1) If an outright SBSN sale transaction is made by a CMO participant due to failure of the second leg settlement of Sharia OMO Repo Transaction or Financing Facility Transaction, SBSN price used in calculating the value of the outright SBSN sale transaction settlement shall be the SBSN price on the first leg transaction date.
- (2) If an outright SBSN purchase transaction is made by a Sharia OMO Participant due to failure of the second leg settlement of Sharia OMO Reverse Repo Transaction, SBSN price used in calculating the value of the outright SBSN purchase transaction settlement shall be the SBSN price on the first leg transaction date.

CHAPTER IV
CALCULATION OF SETTLEMENT VALUE OF MONETARY
OPERATION TRANSACTION

Part One

Calculation of Settlement Value of Conventional OMO Repo Transaction, Conventional OMO Reverse Repo Transaction, Lending Facility Transaction, Sharia OMO Repo Transaction, Sharia OMO Reverse Repo Transaction, and Financing Facility Transaction

Article 18

- (1) Settlement value of securities equals to the nominal value of the repurchased or reverse repurchased securities.
- (2) Fund settlement value for the first leg settlement is calculated as follows:
 - a. Short Term SBI, SDBI, SPN, ZCB, and SBSN:

Nilai

Setelmen

First Leg

=

Nominal surat

berharga yang

di-repo-kan atau

di-reverse repo-kan

×

(

Harga surat

berharga

−

Haircut

)

b. SBIS

The first leg settlement value equals to the nominal value of collateralized SBIS.

c. Sovereign Bond includes ORI and Long Term SBSN.

Nilai
Setelmen =
First Leg

=

Nominal surat
berharga yang
di-repo-kan atau
di-reverse repo-kan

x

(Harga surat
berharga

- Haircut

+ Accrued Interest

Note:

Securities price : the securities price set forth in BI-ETP System, BI-SSSS, and/or any other means on the date of a Conventional OMO Repo Transaction, Conventional OMO Reverse Repo Transaction, Lending Facility Transaction, Sharia OMO Repo Transaction, Sharia OMO Reverse Repo Transaction, or Financing Facility Transaction

Haircut : the haircut set forth in BI-ETP System, BI-SSSS, and/or any other means on the date of a Conventional OMO Repo Transaction, Conventional OMO Reverse Repo Transaction, Lending Facility Transaction, Sharia OMO Repo Transaction, Sharia OMO Reverse Repo Transaction, or Financing Facility Transaction

Accrued Interest or Reward : - right to coupon or reward of securities calculated from 1 (one) day after the last coupon or reward payment until the first leg settlement date
- calculation of right to SBSN

reward based on the actual number of days (actual per actual)

- d. Sovereign Bond includes ORI and Long Term SBSN if payment of securities coupon or reward is made 1 (one) Working Day after the first leg settlement date.

Nilai
setelmen
first leg

=

Nominal surat berharga
yang di-repo-kan atau
di-reverse repo-kan

x

Harga
surat berharga

-

Haircut

Accrued
Interest/
Imbalan

Securities price : the securities price announced in BI-ETP System, BI-SSSS, and/or any other means on the date of a Conventional OMO Repo Transaction, Conventional OMO Reverse Repo Transaction, Lending Facility Transaction, Sharia OMO Repo Transaction, Sharia OMO Reverse Repo Transaction, or Financing Facility Transaction

Haircut : the haircut set forth in BI-ETP System, BI-SSSS, and/or any other means on the date of a Conventional OMO Repo Transaction, Conventional OMO Reverse Repo Transaction, Lending Facility Transaction, Sharia OMO Repo Transaction, Sharia OMO Reverse Repo Transaction, or Financing Facility Transaction

Accrued Interest or : right to coupon or reward of securities calculated from the

Reward first leg settlement date until the payment date of coupon or reward of securities 1 (one) Working Day after the first leg settlement date

(3) Fund settlement value for the second leg settlement is calculated as follows:

a. SBI, SDBI, SBN

$$\text{Nilai Setelmen Second Leg} = \text{Nilai Setelmen First Leg} + \frac{\text{Bunga/Nilai Marjin Transaksi Repo/Reverse Repo/Lending Facility/Financing Facility}}{\text{Nilai Setelmen First Leg}}$$

$$\frac{\text{Bunga/Nilai Marjin Transaksi Repo/Reverse Repo/Lending Facility/Financing Facility}}{\text{Nilai Setelmen First Leg}} = \frac{\text{Repo rate/Reverse Repo rate/Margin Repo/Margin Reverse Repo}}{\text{Nilai Setelmen first leg}} \times \frac{\text{Jangka waktu}}{360}$$

Note :

Term : term of Conventional OMO Repo Transaction, Conventional OMO Reverse Repo Transaction, Lending Facility Transaction, Sharia OMO Repo Transaction, Sharia OMO Reverse Repo Transaction, or Financing Facility Transaction

b. SBIS

$$\text{Nilai setelmen second leg} = \text{Nilai setelmen first leg} + \text{Biaya Transaksi Repo SBIS}$$

$$\text{Biaya Transaksi Repo SBIS} = \frac{\text{Nilai setelmen first leg} \times \text{Tingkat Biaya Repo SBIS}}{360} \times \text{Jangka waktu}$$

Note :

SBIS Repo : payment obligation (gharamah) Transaction determined by Bank Indonesia in Cost SBIS Repo Transaction resulting from the failure of an SMO participant to meet the agreed

term of SBIS purchase

Part Two

Calculation of Settlement Value of Outright Securities
Purchase or Sale Transaction

Article 19

- (1) Securities settlement value equals to the nominal value of the securities in an outright transaction.
- (2) Fund settlement value for outright securities purchase or sale transaction is as follows:
 - a. Short Term SPN, ZCB, and SBSN:

Nilai
Setelmen
Outright

=

Nominal
surat
berharga

×

Harga
surat
berharga

- b. Sovereign Bond includes ORI and Long Term SBSN.

Nilai Setelmen
Outright

=

Nominal
surat
berharga

×

Harga
surat
berharga

+

Accrued Interest or
Imbalance

Note :

Securities price : the securities price determined by Bank Indonesia if an outright securities purchase or sale transaction is made through tender mechanism, and/or the securities price based on agreement of parties if an outright securities purchase or sale transaction is made through non-tender mechanism

Accrued Interest or Reward : right to coupon or reward of securities calculated from the settlement date of an outright securities purchase or sale

transaction

- c. Sovereign Bond includes ORI and Long Term SBSN if payment of securities coupon or reward is made 1 (one) Working Day after the settlement date of an outright securities purchase or sale transaction.

Nilai Setelmen

Outright

=

Nominal

surat

berharga

×

Harga

surat

berharga

-

Accrued Interest/

Imbalan

Note :

Securities price

:

the securities price determined by Bank Indonesia if an outright securities purchase or sale transaction is made through tender mechanism, and/or the securities price based on agreement of parties if an outright securities purchase or sale transaction is made through non-tender mechanism

Accrued Interest or Reward

:

right to coupon or reward of securities is calculated from the settlement date of an outright securities purchase or sale transaction until the payment date of securities coupon or reward 1 (one) Working Day after the date of the outright securities purchase or sale transaction.

Part Three

Calculation of Accrued Interest or Reward

Accrued interest or reward set forth in Article 18 paragraph (2) letter c and letter d and Article 19 paragraph (2) letter b and letter c is calculated by using the following formula per unit:

$$AI = N \times \frac{C}{n} \times \frac{a}{E}$$

Note :

- AI : Accrued Interest or Reward per unit
- N : the securities nominal value per unit is Rp 1,000,000 (one million rupiah)
- C : value of coupon or reward
- n : coupon or reward payment frequency in a year
- a : number of actual days
- E : the number of actual days counted from 1 (one) day after the commencement date of coupon or reward period until the next coupon or reward payment date

Part Four

Calculation of Securities Nominal Value and Settlement Value of Conventional OMO Repo Transaction Using Securities in Foreign Currency

Article 21

- (1) Securities nominal value in foreign currency collateralized in the first leg settlement is calculated as follows:

Nilai nominal surat berharga dalam valuta asing yang diagunkan

=

Nilai setelmen first leg

Kurs transaksi × (Harga surat berharga - Haircut)

Note :

First leg : rupiah nominal value won in the

settlement value first leg settlement

Transaction rate : mid rate of Bank Indonesia on a transaction date

Securities price : securities price announced in transaction of securities in foreign currency (sovereign bond)

Haircut : the haircut announced by Bank Indonesia in transaction of securities in foreign currency (sovereign bond)

- (2) The rate used in calculation of transaction settlement value using securities in foreign currency is Bank Indonesia rate on a transaction date.
- (3) Fund settlement value for the second leg settlement is calculated as follows:

$\text{Nilai setelmen}_{\text{second leg}} = \text{Nilai setelmen}_{\text{first leg}} + \text{Bunga Transaksi Repo}$
--

$\text{Bunga Transaksi Repo} = \text{Nilai setelmen}_{\text{first leg}} \times \text{Repo rate} \times \frac{\text{Jangka waktu}}{360}$

Note :

Term : term of Conventional OMO Repo Transaction

Part Five

Early Redemption of SBI

Article 22

- (1) Early redemption of SBI will be made if:
- a. settlement of a Conventional OMO Repo Transaction fails to become due; or
 - b. settlement of a Lending Facility Transaction fails to become due,
- all of which use SBI.

- (2) The early redemption of SBI set forth in paragraph (1) is made by using the following calculation of cash value settlement:

$\text{Nilai tunai early redemption} = \frac{\text{Nilai nominal} \times 360}{360 + (\text{Tingkat diskonto} \times \text{Sisa jangka waktu})}$

Note :

- Nominal value : SBI nominal value
- Discount rate : weighted average of discount rate on SBI issuance
- Remaining term : the number of actual days counted from 1 (one) day after the failed settlement date of a Monetary Operation transaction until SBI maturity date

Section Six

Early Redemption of SBIS

Article 23

- (1) If a Financing Facility Transaction settlement fails to become due using SBIS, the early redemption SBIS settlement value will be equal to the nominal value of the early redeemed SBIS and SBIS reward to which an SMO participant is entitled.
- (2) The SBIS reward set forth in paragraph (1) is calculated until the SBIS early redemption date.

Part Seven

Early Redemption of SDBI

Article 24

- (1) Early redemption of SDBI will be made if:
- a. settlement of a Conventional OMO Repo Transaction fails to become due;
 - b. settlement of a Lending Facility Transaction fails to become due; or

- c. transaction between a Commercial Bank and any party other than Commercial Bank, all of which use SDBI.
- (2) The early redemption of SDBI set forth in paragraph (1) is made by using the following calculation of cash value settlement:

Nilai tunai

early redemption

=

Nilai nominal × 360

360 + (Tingkat diskonto × Sisa jangka waktu)

- Note :
- Nominal value : SDBI nominal value
 - Discount rate : weighted average of discount rate on SDBI issuance
 - Remaining term : the number of actual days counted from 1 (one) day after the failed settlement date of a CMO transaction until SDBI maturity date

CHAPTER V
CLOSING PROVISIONS

Article 25

Upon enforcement of this Regulation, regulation on criteria and requirements for securities in Monetary Operation set forth in:

- a. Bank Indonesia Circular Number 18/29/DPM dated 29 November 2016 on Criteria and Requirements for Securities, Participants, and Intermediary Institutions in Monetary Operation; and
- b. Regulation of Members of Board of Governors Number 19/17/PADG/2017 dated 28 December 2017 on Criteria and Requirements for Securities, Participants, and Intermediary Institutions in Sharia Monetary Operation, are repealed and declared null and void.

Article 26

This Regulation starts to take effect as from its issuance date.

For public recognition, it is hereby ordered that this Regulation be promulgated in the Official Gazette of the Republic of Indonesia.

Established in Jakarta
on

MEMBER OF BOARD OF GOVERNORS,

ERWIN RIJANTO

ELUCIDATION
ON
REGULATION OF MEMBERS OF BOARD OF GOVERNORS
NUMBER 20/8/PADG/2018
ON
CRITERIA AND REQUIREMENTS FOR SECURITIES
IN MONETARY OPERATION

I. GENERAL

In implementing the monetary policy to achieve Bank Indonesia's objective, Bank Indonesia exercises monetary control, among others through monetary operation in a conventional manner and in adherence to sharia principle.

In implementing Monetary Operation in a conventional manner and in adherence to sharia principle, Bank Indonesia determines the criteria and requirements for securities which may be used in Monetary Operation.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Self-explanatory

Article 3

Paragraph (1)

Self-explanatory

Paragraph (2)

- Letter a
 - Cooperation between the central bank of another country and Bank Indonesia is entered into among others in the form of cross border collateral arrangement.
- Letter b
 - Self-explanatory
- Letter c
 - Self-explanatory
- Letter d
 - Self-explanatory
- Letter e
 - Self-explanatory

Article 4

- Self-explanatory

Article 5

- Self-explanatory

Article 6

- Self-explanatory

Article 7

- Letter a
 - Sharia principle fulfillment is stated in the form of fatwa and/or sharia opinion issuance by the authority competent in issuing fatwa and/or sharia opinion.
- Letter b
 - Self-explanatory
- Letter c
 - Self-explanatory
- Letter d
 - Self-explanatory
- Letter e
 - Self-explanatory

Article 8
Self-explanatory

Article 9
Self-explanatory

Article 10
Self-explanatory

Article 11
Self-explanatory

Article 12
Self-explanatory

Article 13
Self-explanatory

Article 14
Self-explanatory

Article 15
Self-explanatory

Article 16
Self-explanatory

Article 17
Self-explanatory

Article 18
Self-explanatory

Article 19
Self-explanatory

Article 20
Self-explanatory

Article 21
Self-explanatory

Article 22
Self-explanatory

Article 23
Self-explanatory

Article 24
Self-explanatory

Article 25
Self-explanatory

Article 26
Self-explanatory